

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF CARL AND MARY ) APPEAL NO. 06-A-2018  
ANN STRAUB from the decision of the Board of ) FINAL DECISION  
Equalization of Ada County for tax year 2006. ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing September 14, 2006, in Boise, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Carl Straub appeared for Appellants. Chief Deputy Assessor Marilee Fuller and Deputy Assessor Tina Winchester appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. R8584500750.

**The issue on appeal is the market value of residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$175,000, and the improvements' valuation is \$234,000, totaling \$409,000. Appellants request the land value be reduced to \$100,000, and the improvements' value be increased to \$240,000, totaling \$340,000.

The subject property is a single family residence located in Two Rivers Subdivision in Eagle, Idaho. The 2,635 square foot one-story residence was built in 2002. Together with a three car garage, it is located on a .22 acre site.

The subject assessed value was reduced in a 2005 Board of Tax Appeals (BTA) decision, and Appellants maintain the assessed value should not have changed for the 2006 year in accordance with Idaho Code § 63-3813.

Taxpayer testified the \$409,000 assessed value of subject is excessive and should be \$340,000. No changes have been made to the subject since 2005 and Appellants do not

understand why the assessed value increased.

Photographs of the front and back views of the subject were submitted. Taxpayer testified several properties near the subject have been on the market and have not sold.

Respondent presented a market value history of the subject and explained that the assessed values of property in the subject area were trended for the 2006 tax year. The base for the trend of the subject property was \$340,000, the value set by the BTA in its 2005 decision.

The County compared three sales to the subject property to support the assessed value. All three were located in subject subdivision, and none were located on water. An adjustment grid was submitted by the County with adjustments to the sales for differences from the subject property, to arrive at estimated values for the subject. These values ranged from \$485,758 to \$524,300.

The County submitted an analysis of market trends in 2005. Respondent submitted a graph with a comparison of sale prices to assessed values of residential property sales which took place in 2005. The County Appraiser explained that assessments must be at market value according to statute. The graph indicated a ratio of about 96% at the beginning of 2005, when sale prices were compared to assessed values. By December of 2005, the sale price to assessment ratio had fallen to 74%. The Appraiser explained the analysis indicated an overall increase in the value of property of 22% countywide.

Another exhibit presented by the County was titled "Area Modifiers". It addressed 10 different phases of the subject subdivision and the individual trend factors created from the sales within each phase. The subject was included in the Phase One of Two Rivers Subdivision location, and positive trend factors of 75% for land and 4% for residential improvements were applied to the 2005 assessed values to arrive at the 2006 values. A listing of the 2005 and 2006

assessed values of other properties located in the Two Rivers Subdivision was presented by the Appraiser and the percentage of change applied to each property was documented.

Vacant land sales in the Eagle area were also analyzed by the Appraiser to support the large increase in assessed land values. About 144 vacant land sales were included in the analysis which indicated an average increase in land values during 2005 of 243.6%.

The County maintained arriving at the 2006 assessed value of the subject was through trends, developed from sales, and applied to neighboring property assessments. It was noted that trending of assessed values in the subsequent year after a BTA decision was allowed per Idaho Code § 63-3813.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Two issues were presented in the hearing. Whether the assessed value of the subject could increase from the 2005 value set by the Board of Tax Appeals, and the actual market value of the subject property.

Idaho Code allows the assessed value of property to increase the following year after a Board of Tax Appeals value reduction under certain circumstances.

**63-3813. CONCLUSIVE DECISION.** In all cases which are not appealed to the district court within the prescribed time, the decision of the board of tax appeals shall be conclusive and all records shall be corrected to comply with the decision of the board. A final decision or order of the board of tax appeals directing a market value change for taxable property that is not further appealed shall be fixed for the current year appealed and there shall be no increase in value for the subsequent assessment year when no physical change occurs to the property; **provided**

**however, that annual trending or equalization applied to all properties of a property class or category within the county or a clearly defined area shall still apply.** If the order requires repayment or refund of taxes these shall be repaid or refunded by the proper authorities and, if the order affirms or establishes a liability for the payment of taxes, the usual procedure for collection of such taxes shall continue or commence. (Emphasis added.)

The statute provides that annual trending factors and a physical change to the subject property are exceptions to the fixed value statute.

In this case neither party maintained physical changes had been made to the subject property since 2005. However, it was demonstrated that the County did apply trending factors to all properties in the subject subdivision, or a clearly defined area, as described in Idaho Code § 63-3813. Respondent's Exhibits included development and support for the trend factors applied to the subject. It was further demonstrated the factors were applied to all of the properties in the subdivision. Under these circumstances the Board finds the 2006 assessed value could change pursuant to Idaho Code § 63-3813.

The market value of the subject property was also discussed at hearing, and Appellants were not convinced an increase in the assessed land value was warranted. Respondent submitted both vacant land sales and improved property sales. Further comparison of sales to previous assessed values supported the increase in assessed values.

Although Appellants mentioned several properties in the subject vicinity that have been on the market for some time, no asking prices or comparisons to the subject were offered for the Board to consider.

Therefore, the Board finds the increase in the assessed value of the subject property was statutorily allowed and the assessed market value of the subject property was supported by the County.

The Board affirms the decision of the Ada County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 31st day of January , 2007